

SOFT SECOND MORTGAGE PROGRAM **FREQUENTLY ASKED QUESTIONS**

How do you apply?

A homebuyer must contact a participating lender, realtor, or housing counselor to start the process – eligible homebuyers will be referred to the City by lenders after first mortgage approval.

How do you qualify?

Households with income of up to 120% AMI (\$73k family of four) should contact a homebuyer counseling agency and enroll in a homebuyer training course – there is a minimal application fee. This course will review eligibility, prepare households to select an appropriate house and assist them in applying for a mortgage. Once a household qualifies for a mortgage, the lender will refer the application to the City for a subsidy.

How is the subsidy amount determined?

The program is designed to provide only the difference between the cost of purchasing a home and the amount of loan a household can afford. The lenders will utilize the City's program income guidelines to determine the maximum amount of loan a household can afford and issue a commitment and forward the application to the City.

Are there limits on purchase price?

There are no specific limits on purchase price but the program will not provide more than 50% of the purchase price for a home and the household must contribute the higher of 1% of the purchase price or \$1500 – whichever is higher.

What are the place based development areas and how were they determined?

These are areas of the City where there have been or will be concentrated investment of City or other public agency resources to develop infrastructure, and amenities such as schools, parks and libraries to leverage investment in neighborhoods where there is insufficient private investment. These areas will stabilize and expand as development occurs. The programs are not limited to place based development areas, but development in these areas is incentivized.